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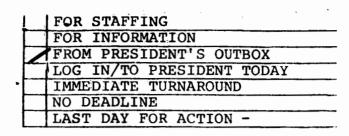
### THE WHITE HOUSE WASHINGTON

October 10, 1978

Jack Watson

The attached was returned in the President's outbox today and is forwarded to you for your information.

Rick Hutcheson



ACTION FYI

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	VICE PRESIDENT
	EIZENSTAT
$\Box$	JORDAN
$\Box$	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
$\Box$	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

ADAMS
ANDRUS
BELL
BERGLAND
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CALIFANO
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MARSHALL
SCHLESINGER
STRAUSS
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ARAGON BOURNE BUTLER
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H. CARTER
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SCHNEIDERS
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> THE WHITE HOUSE WASHINGTON

October 9, 1978

MEMORANDUM FOR THE PRESIDENT ach

FROM:

JACK WATSON

EUGENE EIDENBERG

SUBJECT:

Talking Points for the Conference

Call with Governors on Energy

Program

In addition to myself and Gene, the following Governors will be on the line for the conference call:

Jerry Apodaca (D-N.M.) George Busbee (D-Ga.) >Brendan Byrne (D-N.J.) Hugh Carey (D-N.Y.) Julian Carroll (D-Ky.) John Dalton (R-Va.) Joe Garrahy (D-R.I.) Jim Hunt (D-N.C.)

Dick Lamm (D-Colo.) >Arthur Link (D-N.D.) Scott Matheson (D-Utah) Bill Milliken (R-Mich.) Mike O'Callaghan (D-Nev.) David Pryor (D-Ark.) Dixy Lee Ray (D-Wash.) Jay Rockefeller (D-W.Va.)

Reubin Askew will be on route to Miami Beach and, therefore, unable to participate in the call. He has agreed to make whatever calls we need him to make. We will provide him with a targeted list.

#### Points to Make During Call

- On Thursday the House of Representatives will probably decide on the procedure under which it will consider the energy legislation.
- We want a combined rule to be passed -one which keeps all the titles of the energy program tied together for purposes of debate and the vote on final passage.
- Without this rule, the several titles of the bill can be considered separately making passage of a total program much more difficult.

- The Congress is in its final hours before adjournment and this vote is critical to our success in passing a national energy bill.
- The Governors were of significant assistance in the vote on natural gas deregulation in the Senate, and their help is now needed before this House vote.
- As the Governors know, the need for an energy program is neither a partisan nor a regional issue. The program before the House has its opponents on all sides of the energy debate. The significant point is that the national interest is served by the final result which has been produced by the Conference Committee, and it deserves support by the full House.
- Each Governor should be asked to contact his or her House delegation to ask its members to support the combined rule when it comes to a vote on Thursday.
- Of course, each member of each State delegation should also be asked to vote yes on final passage of the program.
- It would be very helpful if the Governors reported to Jack Watson on the situation in each delegation. Frank Moore and other staff are prepared to follow through if members need more information before deciding.

#### THE WHITE HOUSE

WASHINGTON
October 9, 1978

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#### MEETING WITH SURFACE TRANSPORTATION CONFEREES

Tuesday, October 10, 1978 8:30 a.m. (20 minutes) Cabinet Room

From: Frank Moore by les Francis

#### I. PURPOSE

To discuss the Surface Transportation Bill Conference.

#### II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

Background: The Conference on the Surface Transportation Bill met on Friday and resumes Tuesday morning. The Senate bill's funding level is \$51.1 billion (extended over four years). The House bill is for four years and was reported to the floor at nearly \$67 billion. It was reduced to \$61.1 billion with the passage of an amendment introduced by Jim Howard. A further effort to cut highway spending through a trust fund cap introduced by Bob Giaimo failed —it received only 110 votes.

- -- Going into the Conference last week, Howard seemed to be looking at a figure of \$56 billion and the Senate Conferees seemed to be at about \$55 billion. But following the House's sustaining of the public works veto, Howard expressed interest in settling at about \$53 billion.
- -- It is now possible that the House Conferees can be persuaded to accept a funding level even closer to the Senate level. I think it is worth a try.

Note: Congressman Jim Howard has indicated often in the past few weeks that you've never told him what you expect in the bill. He professes to be willing to help if you ask. Howard will be invited to the Oval Office for a brief meeting before you go to the Cabinet Room to meet with the others. I suggest you make the following points with Howard:

1. I know that this bill means a great deal to you and I appreciate the help you've given me; especially with the passage of your amendment in the House.

2. Jim, I want a bill and I need your help. Let's see if we can come out with a bill that meets our country's highway and transit needs and one which, at the same time, will help us in the fight against inflation.

Participants: House and Senate Conferees (See Attached)

Secretary Brock Adams

Jim McIntyre Stu Eizenstat Frank Moore

Press Plan: White House Photo only.

#### III. TALKING POINTS

- 1. All of you have been involved with the highway and transit authorization bills for many months. I am very hopeful that as you meet in conference you'll produce a good bill which I'll be able to sign late this week or early next week.
- 2. I am determined that we win the fight against inflation. It is vital that this bill be fiscally prudent. As you know, my proposal was for \$48.3 billion. The House bill is at \$61.1 billion; the Senate is at \$51.1 billion. I am prepared to move to a range slightly above that of the Senate bill, but I would prefer not to.
- 3. I do not believe it would be wise for me to accept a figure much above that. We are already experiencing extreme inflationary pressures in the highway industry. This is an industry working at 84% capacity with construction costs escalating at an annual rate of more than 13%. Authorizing more than the Senate bill will not produce more work, it will merely produce the same amount of work and product at higher prices.
- 4. I also am concerned about the obligation limit for Fiscal Year 1979. If you feel a limitation is necessary, I hope it will not be above \$8.2 billion.

(Note For Your Information: The Administration proposed \$7.8 billion and the appropriations bill you signed contains \$8.0 billion. The Senate is at \$8.0 billion and the House is at \$10.9 billion).

- 5. There are also some policy issues which I'll ask Brock to mention. Two on the top of the list are:
  - -- the one-house veto; and
  - -- the Buy American provision.

Neither is acceptable.

Secretary Adams will discuss a few other policy problems including:

- -- the proliferation of funding categories (House: 68; Senate: 26; Administration recommended 18).
- -- the Federal matching share. We recommended 80%; the Senate is at 70%; while the House is at 90% for some programs.
- 6. Following Secretary Adams discussion of policy issues, I suggest you call on Congressman Jim Howard as Conference Chairman and then Senator Randolph who heads the Senate Conferees.
- 7. I suggest you conclude the meeting with a summary of your concerns:
  - That the Conferees settle on funding levels at or only slightly above the Senate levels.

    (OMB, DOT and DPS have said that it should be no higher than \$52.0-52.5 billion. It suggest you not mention either number, but that you instead send them away with the feeling that \$53.0 billion is still too high.)
  - That the Fiscal Year 1979 limitation obligation should not go above \$8.2 billion.
  - That the policy issues including Buy-American and one-house veto be resolved.

#### CONFEREES ATTENDING MEETING

House	Administ	ration Support
Bizz Johnson C Bill Harsha R Bud Shuster R	onference Chairman hairman, Public Works anking Republican on Public Works anking Republican on Surface ransportation Subcommittee	93.5% 78.6% 28.6% ▲ 10.6% ▲
Senate		
Jennings Randol	ph Chairman, Environment and Public Works	68.6%
Lloyd Bentsen	Member, Environment and Public Works	57.1%
Quentin Burdick	Member, Environment and Public Works	53.0%
Daniel Moynihan	Member, Environment and Public Works	81.6%
Robert Stafford	Ranking Republican on Environment and Public Works	75.5%
John Chafee	Republican on Environment and Public Works	76.1%
Harrison Willia	ms Member, Banking, Housing and Urban Affairs	86.0%
Howard Cannon	Member, Subcommittee on Surface Transportation of Commerce, Science and Transportation Committee	60.9%

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THE WHITE HOUSE

October 9, 1978

MEMORANDUM FOR:

THE PRESIDENT

STU EIZENSTAT

FROM:

SUBJECT: The Highway Transit Bill

In the attached memos Brock Adams and Jim McIntyre recommend two versions of our Administration "bottom line" on the highway transit bill. Both agree that we should accept total spending as high as \$52.5 billion over four years -- \$4.2 billion above our initial recommendation. OMB's \$52.0 billion recommendation is a tactical decision based on the presumption that the conferces would then go up to \$52.5 billion. OMB also favors attaching a number of other preconditions to our bottom line, including a lower 1979 obligations ceiling, elimination of many funding categories, and dropping of the one-House veto of POT regulations.

I recommend that you agree to the \$52.5 billion bottom line, and indicate that your final decision on whether to sign a bill at this level will depend on how well the bill meets our other criteria, especially regarding the one-House veto. However, we cannot insist, as OMB suggests, that the conferees take every single one of the policy recommendations we made as a precondition to your approval. Rather, we should emphasize the importance of them, fight for as many as we can get, and indicate that the President's final judgment on the bill will depend both on the funding level and on progress toward our proposed reforms.

The reasons for this recommendation are:

l) We have stated publicly that we supported the levels in the Senate bill (\$51.1 billion) and that we would consider signing a bill somewhere between the Senate level and the level the House would have been at had amendments by Giamo and Duncan passed. The \$52.5 billion figure 18 clearly within range. Indeed even \$53 billion is reasonable given the Administration's prior commitment (with OMB concurrence) to a \$51.1 billion level.

Not me

- 2) We are now arguing over relatively small (by highway transit standards) sums on an annual basis. The difference between the Senate level of \$51.1 billion and \$52.5 billion is only \$350 million per year. I question whether sums of this magnitude are worth the political and programmatic disruption that would result from a veto.
- of a bill in the \$52 \$53 billion range. Large majorities of both the House and Senate I believe would see these numbers as both responsible and lean. Many on the Hill believe our original \$48.3 billion recommendation was artificially low. The political and financial importance of the highway transit construction industry in an election year is far greater than that of the water lobby we just beat.
- 4) A veto is difficult on programmatic grounds even if a pocket veto could avoid override possibilities since it would halt new highway obligations for over one-third of the fiscal year.

Secretary Adams has asked that you meet with the key conferees on Monday evening to convey our views on the bill. I believe that such a meeting is essential, as was the meeting with the conferees on the veterans pension bill, and could set the stage for an acceptable compromise when the conferees meet on Tuesday. If the conferees go significantly over your bottom line, the meeting will have set the stage for our eventual veto. I recommend you approve of such a meeting either late Monday or first thing Tuesday.





## OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20303

October 7, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

JIM MCINTYRE

SUBJECT:

Brock Adams' Memorandum on the Surface Transportation

Bill Conference

Brock Adams has sent you the attached memorandum seeking guidance on our bottom line position on the highway-transit authorization bill (Tab A). As you know, this bill is the biggest threat to the budget currently being considered by the Congress. On the other hand, the failure to obtain a bill would cause a halt to new obligations for highway construction in some states and programs and would eliminate the chance to achieve at least some of the reforms proposed in the Administration's proposals.

You have indicated that you would be willing to sign a bill which contained total authorizations at the Senate level of \$51.1 billion. That compares to a comparable figure in our proposal of \$48.3 billion. (The bills are compared at Tab B.) Brock proposes that we indicate a willingness to sign a bill at a level of \$52.5 billion, or \$4.2 billion over our original request.

I must tell you that these numbers cause me a great deal of concern. Our original proposal, while lean, provided the most funds for highway construction in history. The \$4.2 billion increase over your budget reflected in a compromise at \$52.5 billion is equal to amounts which led to the nuclear carrier and water projects vetoes combined. In addition, the inflationary effect of the highway/transit legislation is far more direct than that of the public works bill. The excess funds would be spent in a far shorter period of time and the demand which these funds will generate will continue the extreme inflationary pressures in the highway contruction industry (up 17% in the first quarter).

Also, given our tight budget projections for the coming years, it is inevitable that the increased authorizations for highway and transit will prevent us from including other higher priority items in the 1980 and 1981 budgets. Although construction funds usually result in delayed outlays, our estimates indicate that most of the likely add-ons to the Senate level will be converted to outlays within the four year period (Tab C).

Nevertheless, our leverage to obtain a figure significantly below the \$52.5 billion number suggested by Brock is very limited. The House conferees will find it very difficult to accept the Adams figure and would see acceptance of the Senate numbers as a total capitulation. While I believe it would be possible to sustain a veto of a bill which exceeds the Senate authorization levels, it would take a herculean effort given the convergence of transit-oriented liberals and highway-oriented conservatives on this bill. Unless a special piece of legislation was passed before Congress adjourned, new highway obligations in some states and programs would be held up for over one-third of the fiscal year.

In light of the above concerns, I have told Brock and Stu that I would be rejuctantly willing to recommend that you sign a bill at an overall level of \$52.0 billion. We would then attempt to reduce the actual outlays by holding down, in the outyears, the programs subject to appropriations. I also indicated to them that, given the tendency for the Congress to creep above any bottom line we give them, we would have to give the conference a \$52.0 billion figure to keep the final result no higher than \$52.5 billion. In any event, these would have to be honest numbers, as calculated by us, and not a sleight of hand to cover the real costs.

This recommendation is contingent on two other parts of the legislation being acceptable. First, the obligation limit for FY 1979 would have to be set at an acceptable level. Second, certain objectionable provisions would have to be removed from the bill and many of our reforms included.

An important control over expenditures in the highway trust fund programs is the annually imposed limitation on new obligations. Because of carry-over authority from prior years it is possible that obligations in one year could greatly exceed the new authorizations for that year. For the past two years the appropriations committees have limited actual expenditures by setting obligation limits. We had proposed a limitation for FY 1979 or \$7.8 billion. The appropriations bill which you signed contains an \$8.0 billion limitation. The Senate accepts the limitation now in law while the House bill seeks to insert its own limitation of \$10.9 billion.

We should take the position that an obligation limitation is unnecessary in the authorization bill. If the conferees insist on including a limitation, then it should be set no higher than \$8.2 billion, which is where we would like the FY 1979 authorization set.

The House version of the bill also contains many serious policy problems which will need to be resolved in the conference. The changes which we believe should be insisted upon are as follows:

•	Avoid proliferation of funding categories (68 categories in the House version compared with 18 categories in our bill and 26	
	categories in the Senate bill). We should insist on no more	
	than 30-35 total funding categories. Among the prime candidates	
	for deletion include:	

 Safer Off-System Roads\$300 million
 Coal Rail-Highway Crossings \$ 50 million
 18 Cities Rail-Highway Crossings\$ 90 million
 Bypass Highway\$ 50 million
 Access Highway Demonstration\$ 50 million
 Intercity Bus Subsidies ("Ambus")\$100 million

- Delete a strict "Buy American" provision which would require that all steel and other materials used in highway and transit projects be made domestically. Such a provision would only aggravate inflation in highway construction.
- Delete a provision which would require <u>DOT</u> to <u>submit rules</u> and regulations for <u>congressional review</u> (a one House veto provision).
- Delete provisions which would weaken highway beauty laws to such an extent that the program would have little value.
- Delete a provision to provide 150 more miles of Appalachian corridor highways.
- . Add our provision to ensure that Interstate funds are focused on identified "essential gaps" (the Senate has incorporated this provision).
- Adopt the Senate's provisions on the structure of transit funding, with a \$200 million set-aside within the Senate totals for urban initiative projects (the Senate bill does not now provide for urban initiative projects).
- Avoid raising the Federal matching share for non-interstate highway programs beyond our proposed 80% uniform highway/ transit match. The Senate version retains the non-interstate highway match at 70% while the House version increases the match to 90% for bridge construction and other selected highway programs.

(Although OMB prefers the 70% matching share in the Senate bill, support for a 70% match would represent a departure from the Administration's pending proposal.)

I recommend that we indicate to the conference committee the Administration position on overall funding level, the obligation limitation, and the substantive policy issues, and insist that each is a requirement for approval of the bill.

Dec.	s	on

<u>Vectsion</u>	
The bottom-line posit bill should be:	tion on overall funding levels for the highway/transit
-	\$51.1 billion (the Senate level)
	\$52.0 billion (OMB recommends, assuming Congressional drift no higher than \$52.5 billion)
· · · · · · · · · · · · · · · · · · ·	\$52.5 billion (DOT memo recommends)
(thereby retaining th	I should not contain an obligation limitation e one already in law) or, if the conferees insist that limit should be set at \$8.2 billion for FY 1979.  Agree
	Disagree
The policy issues lis upon as a condition f	ted earlier in this memorandum should be insisted or signing the legislation.
	Agree
· · · · · · · · · · · · · · · · · · ·	Disagree





## THE SECRETARY OF TRANSPORTATION WASHINGTON, D.C. 20590

October 6, 1978

MEMORANDUM TO THE PRESIDENT

ATTENTION:

Rick Hutcheson

FROM:

Brock Adam

SUBJECT:

Surface Transportation Conference

The Surface Transportation bill is now in conference after months of negotiations and confrontation with the Congress. I am very hopeful that an agreement can be arrived at that will permit quick action and allow you to sign an acceptable bill. Jim McIntyre, Stu Eisenstat and I met this evening and are in agreement that we should follow this course. The critical issue is the level of funding that you would be willing to accept.

Some background on the bill is helpful in putting this proposal in perspective. The Administration requested a four-year package aggregating \$47.1 billion for highways and public transportation, with substantial reforms to improve program administration. \$1.2 billion in regular spending for roads on public lands has also been carried by the Congress in this bill.

The Senate reported out an excellent bill, embodying most of our proposed reforms and sticking close to the budget targets. Their funding level, extrapolating their highway authorizations over four years, is \$51.1 billion.

Our main problem throughout has been with the House, whose Surface Transportation Committee is deeply dedicated to the highway program and has a growing interest in mass transit as well. They reported a bill to the floor containing nearly \$67 billion over the four year period. Efforts to restrain the highway program through a trust fund related cap failed, with only 110 votes in our favor. No sponsor could be found to manage an amendment for cutting transit.

Memorandum to the President October 6, 1978 Page 2

Subcommittee Chairman Jim Howard did offer an amendment to reduce the bill to \$61.1 billion, which was accepted.

Now that the bill is in conference, and with the specter of a hiatus in the highway program facing the proponents, there is movement toward an acceptable level. Jim Howard, who is the Conference chairman, originally proposed a complicated agreement at a level that would be around \$56 billion. Senate conferees, led by Jennings Randolph, were moving towards \$55 billion. Following yesterday's successful effort on the override, they appear to have lowered their sights. Chairman Howard expressed interest in settling on a figure of \$53 billion, although his staff is trying to expand the number by excluding certain items.

I would like to nail down an agreement, and avoid a situation that would be disruptive not only to our relations with the Congress but more importantly to the programs. To do this, we must make a firm offer to the Conferees and express it in terms that make it clear and impossible to evade with ginmicks. We will also insist on significant progress on program reform, and I believe that can be achieved. We need your approval of the proposed offer.

While the conferees would be more comfortable at the \$53 billion level, it was the consensus of our meeting that our position should not exceed \$52.5 billion. This would be a \$1.5 billion increase (or 3%) above the Senate level. This would be expressed in terms that would preserve to the greatest degree possible your original request for trust fund spending, since that does not go through the appropriations process. We would absorb increases in those areas where this additional review can occur.

	\$Billions
Proposed funding level	\$52.5
Administration Requests	e e e
Surface Trans. Bill 47.1 Public Lands Roads 1.2	· .
	48.3
Increase	\$ 4.2

While the increase over the budget might appear large in numerical terms, it is not unreasonable given the scale of the program and the strength of its proponents. It can be readily portrayed as a \$13 to \$14 billion cut below the House Public Works bill, which received substantial editorial criticism for its profligate approach. In the

Memorandum to the President October 6, 1978 Page 3

key area of highway trust fund programs, a bill at this level would be precisely in line with Trust Fund revenue expectations, which was the principle we unsuccessfully tried to establish with the Giaimo amendment. In public transportation, we would stick with the Senate level, reflecting floor amendments that we supported. Finally, it should be possible to spread the four years of the bill in such a way as to minimize the impact in the present budget.

This proposal should be presented, if it is to be successful, before the conferees resume on Tuesday morning. We need to test the feelings on the Hill further as to how this should be done, but as I wrote you earlier, your personal involvement at this stage may now be necessary. Since acceptance of a \$52.5 billion level requires the House conferees to abandon 85% of the difference between them and the Senate, this will be a difficult negotiation.

	I	concur	in	making	a	firm	offer	of	\$52.5	bill	ion.
-	01	ther.									



#### HIGHWAY AND TRANSIT BILL COMPARISON OF AUTHORIZATIONS

(Dollars in Millions)

		9 Only			82 Totals		
	Administration	House	Senate	Administration	House	Senate	
Highways Total:	8,255	11,258	8,734	33,944	44,429	35,464	<u>2</u> /
Trust Fund Highways(primarily contract authority)	(7,947)	(10,404)	(8,295)	(32,712)	(40,992)	(33,803)	
General Fund Highways	()	(546)	(131)	()	(2,205)	(429)	
General Fund, Non-DOT Highways 1/	(308) <u>3</u> /	(308)	(308)	(1,232) <u>3</u> /	(1,232)	(1,232)	
Transit Total	3,419	4,200	3,619	14,418	16,875	15,670	
Total Bill	11,674	15,457	12,354	48,362	61,304	51,134	
Increases Over Admin	XX	+3,783	+680	XX	+12,942	+2,772	

Not expected to receive subsequent appropriations from these authorizations. Includes Forest Development Roads and Trails, Public Lands Roads and Trails, Park Roads and Trails, Parkways, and Indian Reservation Roads and Bridges.

<sup>2/</sup> Senate highway bill is for 1979-1980 only. Figure shown is an extrapolated estimate.

<sup>3/</sup> Not in Administration bill, but displayed here for comparability purposes.



### 1979-1982 INCREASES OVER ADMINISTRATION REQUEST

(Dollars in Billions)

	Total <u>Authorizations</u>	Authorizations Increase	Estimated Obligations Increase *	Est. Outlays Increase
House Bill	61.3	+13.0	+10.0	+7.1
Senate Bill	51.1	+ 2.8	+ 1.7	+1.2
Adams Compromise	52.5	+ 4.2	+ 3.3	+2.3
OMB Compromise	52.0	+ 3.7	+ 2.8	+1.9

<sup>\*</sup> Not all authorizations are expected to result in increased appropriations and obligations.

## THE WHITE HOUSE WASHINGTON 10/10/78

Jack Watson Phil Wise Fran Voorde

The attached was returned in the President's outbox today and is forwarded to you for your information.

Rick Hutcheson

DECLASSIFIED Per; Rac Project

ESDN; 17.0-126-14-37-15

BY 155 NATA DATE 6/44/13

 FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND
NO DEADLINE
LAST DAY FOR ACTION -



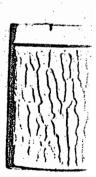
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Г	VICE PRESIDENT
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	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
•	BRZEZINSKI
	MCINTYRE
	SCHULTZE

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	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE



## CONTOUNTAL

#### THE WHITE HOUSE

WASHINGTON

October 7, 1978



MEMORANDUM FOR THE PRESIDENT

FROM:

Jack Watson Jack

SUBJECT:

STATE AND LOCAL LOBBYING EFFORT

ON ENERGY LEGISLATION

Stu, Anne, Jerry, Frank's staff, the Vice President's staff and I met on Saturday morning to discuss several lobbying initiatives we can undertake this week on the energy package. We unanimously recommend the following two proposals involving state and local elected officials:

(1) A conference call (from Camp David) between you and 12 - 14 Governors on Monday. The call would last 5 - 10 minutes and would give you an opportunity to describe the parliamentary situation in the House, the nature of the key votes to be taken on Thursday, and the urgent need for the Governors to contact their respective delegations to seek support for the Administration's position.

I will see to it that all the Governors participating in the call will be supporters and will be ready and willing to help. You can also specifically seek their participation, if possible, in the events outlined in recommendation (2).

Approve \_\_\_\_

(2) On Wednesday, we would arrange to have a major briefing in the East Room, to be highlighted by a presentation from you, with full press coverage, of a large group of state and local elected officials from all over the country. We would have Governors, Mayors, county officials, state legislators, as well as the leadership of all the major public interest groups, at the briefing.

DECLASSIFIED

Per; Rac Project

ESDN; M.C-12C-14-31-1-5

BY LCS NARA DATE E/24/13



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We would precede your comments by appropriate briefings by Schlesinger, Strauss, and others, similar to what we did for the Governors' briefing several weeks ago.

Following the event in the East Room, all of the state and local officials would go to the Hill to lobby for the bill, with specific assignments that we will work out with Frank's staff.

Approve \_\_\_\_

As soon as you make your decisions on these matters, I would appreciate your asking Fran to call me; a great deal of preparation has to be done for both events, and I need to begin making calls this weekend.

Needless to say, we will not go ahead with the event unless we are sure we can put together the kind of crowd we want and need.

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CONFIDENTIAL

### THE WHITE HOUSE WASHINGTON

10/10/78

#### Jack Watson

The attached was returned in the President's outbox today and is forwarded to you for your information.

Rick Hutcheson

WEEKLY REPORT

•	FOR STAFFING
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	MARSHALL
	SCHLESINGER
	STRAUSS
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#### THE WHITE HOUSE

WASHINGTON

October 7, 1978

good

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON JACK

SUBJECT:

Weekly Repor

#### Rural Health

Last Monday the Vice President, Secretary Bergland, HEW Surgeon General Julius Richmond, and I announced from the White House a rural health initiative which will result in the construction or rehabilitation of 250 - 350 rural health clinics throughout the country over the next four years. Using existing funds and authority, we worked out two interagency agreements among USDA, HEW, and DoL to make the whole initiative possible. The announcement has been very well received by rural groups throughout the country and by the rural caucus in Congress, many of whom were present for the announcement.

#### State of West Virginia/Federal Officials Meeting

This past Thursday all of the members of the Federal Regional Council in Philadelphia and representatives from my staff met in Charleston, West Virginia with Governor Rockefeller and his Cabinet. One hundred thirty-five problems relating to the administration of federal programs in West Virginia were identified by either the State or the federal officials prior to the meeting. Seventy-five percent of them were resolved at the meeting. A firm timetable for the resolution of the remainder was agreed to in the course of the meeting.

At the conclusion of the meeting, Governor Rockefeller held a press conference at which these accomplishments were reported, and an announcement of the commitment of numerous kinds of federal funding to West Virginia (totalling \$910 million) for the next year was revealed. The press coverage and the Governor's personal reaction were extremely favorable. (Jay Rockefeller was quoted in the Charleston, W. Va. Gazette the next day saying that the Carter Administration's efforts to improve housing in West Virginia were unprecedented and represented "the most significant step forward in a long time, probably in all history." (A little positive political hyperbole never hurt anybody.)

We plan to expand this kind of activity to every federal regional council in the country next year. The press we derive from it, particularly in the medium size cities and smaller towns, is extremely positive.

#### HIRE I Progress

Ruben Mettler, Chairman of the Board of TRW, Inc., and Chairman of your HIRE Committee has reported significant progress in the HIRE I program to employ Vietnam era veterans. 80,100 actual hires are reported for the quarter ending June 30th with 101,000 additional National Alliance for Business hires for the same period. At the time of the report (September 21st) Ruben noted that the HIRE I effort was on target to surpass the 100,000 HIRE job goal by September 30th.

#### South Bronx Announcement

I am making the South Bronx announcement described in last week's report on Tuesday with Governor Carey and Mayor Koch. The announcement was delayed a week because of the Mayor's accepting your invitation to attend Pope John Paul's funeral.

#### Letter to Governor O'Callaghan

Your hand-written note to Mike O'Callaghan was just right. I know he will appreciate it. We are continuing our work on the same front for the energy fight in the House.

#### Youngstown, Ohio/Republic Steel/EPA Announcement

Doug Costle and I announced a major breakthrough in Youngstown that will result in the retention of approximately 6,000 steel jobs in that area. William DeLancey, President of Republic Steel; Lloyd McBride, President of the United Steel Workers; and Senator John Glenn joined us in announcing Republic's agreement to undertake a \$250 million modernization and pollution control program in its Youngstown area plants. This agreement will, by 1982, put Republic's Youngstown operation in full compliance with EPA's requirements. The announcement was made on Friday to lead off Jody's daily press briefing.

#### THE WHITE HOUSE

WASHINGTON

6 October 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

RICK HUTCHESON

SUBJECT:

Status of Presidential Requests

#### JORDAN:

1. (9/2) Move on Tom Bryant. (9/29) (and Eizenstat) Again, we need to move on Tom Bryant -- <u>Done</u> (memo on dividing up the function of Bourne's office on your desk).

done

#### VICE PRESIDENT:

1. (9/20) Check with Tim and comment on the Lipshutz/Eizenstat memo concerning the President's Holocaust Commission -- In Progress, (expected 10/13, previously expected 10/6).

#### MCINTYRE:

1. (9/4) Give the President a status report on the Executive Order concerning regulatory reform after Camp David; the President would like a series of substantive "sunset" announcements -- Done.

done

#### PETTIGREW:

 (10/2) Follow-up with McIntyre on the report to Congress by the Comptroller General on the extent of fraud against the government in federal economic assistance programs --<u>In Progress</u>, (memo outlining recommendations to the Cabinet expected 10/13).

#### SECRETARY VANCE:

1. (10/2) (and Brzezinski) Sen. Javits wants to put together a group to enhance our relations with Mexico; let's have an answer this week, the President promised him -- Done (a staff level working group is being established with business groups concerning an advisory group on US/Mexico relations).

done

#### MOORE:

1. (10/4) Repeal the "high one" retirement provision in the Foreign Relations Authorization Act; "sunset" is OK with the President -- Message Conveyed.

done

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#### RAFSHOPN:

 (10/4) The President needs 3 or 4 names of people who might serve on the selection committee for arts awards; the first meeting will be 11/17. These persons should relate to tv/movies/popular music -- In Progress, (expected 10/12).

#### KRAFT:

1. (10/4) Check with the Vice President and let the President have recommendations regarding a representative to the Vatican by Thursday -- Done.

done

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### THE WHITE HOUSE WASHINGTON

10/10/78

please send me

thanks -- susan

## THE WHITE HOUSE WASHINGTON

10/10/78

### Frank Moore

The attached was returned in the President's outbox today and is forwarded to you for your information.

Rick Hutcheson

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#### CAMP DAVID

OCTOBER 7, 1978

Sore

MR. PRESIDENT

SENATOR WILLIAMS CALLED AT 10:00 THIS MORNING SIMPLY TO EXPRESS A STRONG INTEREST IN YOUR SIGNING THIS BILL.

He said he and Jim Allen were primary sponsors and you know Allen wouldn't give away a nickel without due cause.

SAYS IT WOULD BE DEVASTATING TO THE STATE TROOPERS IN NEW JERSEY (WHO MAKE \$15,000 A YEAR) TO HAVE TO PAY THIS MEAL CHARGE BACK TO 1970. THE BILL TAKES CARE OF THE PROBLEM IN THE FUTURE.

I TOLD THE SENATOR THAT IF YOU WERE INCLINED NOT TO SIGN.

I WOULD ASK YOU TO CALL HIM BEFORE FINALLY DECIDING.

FRAN

## THE WHITE HOUSE WASHINGTON 10/10/78

Anne Wexler Louis Martin

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

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#### THE WHITE HOUSE

WASHINGTON

October 7, 1978

Anne Louis -Good - The Close to paders Hack J

MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE WEXLERUME LOUIS MARTIN L. M.

SUBJECT:

Humphrey-Hawkins Legislation

We have met with the Task Force to continue high priority efforts for the passage of Humphrey-Hawkins legislation. In addition to ourselves, Task Force members include Sarah Weddington, Ed Sanders, Dick Moe, and representatives of the following offices: Domestic Policy, Congressional Liaison, Press Office, Jerry Rafshoon, Jack Watson, and Tim Kraft. We have also been coordinating with John White and the Democratic National Committee.

At the Task Force meeting assignments were made and the work under way is summarized on the attached listing.

On Monday, with Hamilton and Frank, we will have a strategy meeting over lunch with key supporters. The purpose of the meeting is to discuss strategy. A list of attendees and a draft agenda are attached.

We are also preparing fact sheets and other materials for use in this effort.

Our strategy in working with outside groups is to urge them to do three things--

- 1. Work on a target list of Senators for cloture.
- 2. Lean on Bill Brock (RNC Chairman) and Senators Dole and Baker to fulfill their commitments to the Black community.
- 3. Work on all Senators to cooperate with Majority Leader Byrd on defeating weakening amendments.

#### THE WHITE HOUSE

#### WASHINGTON

#### HUMPHREY-HAWKINS LEGISLATION

#### SUMMARY OF WHITE HOUSE ACTIVITIES UNDER WAY

- 1. DNC Chairman John White has sent a telegram to all chairmen of states with Democratic Senators, asking them to obtain Senate support.
- 2. Louis Martin is working with Black leaders to obtain support through the networks of major Black organizations, and to obtain specific support from particular Black leaders in certain cases. For example, Marion Barry has agreed to challenge Arthur Fletcher to push the GOP leadership; Jesse Jackson used his Saturday morning broadcast sermon to push Humphrey-Hawkins and will be in Washington on Monday for further efforts; Representative Walter Fauntroy is working with District churches to push Humphrey-Hawkins on Sunday; Ben Hooks is talking to Senators Baker and Dole and pushing for Humphrey-Hawkins in major speeches over the weekend; Attorney Sam Jackson (a top GOP leader) is working on Senators Baker and Dole.
- 3. Sarah Weddington spoke twice on Friday to ERA supporters on the importance of supporting Humphrey-Hawkins, and is now working with individual women group leaders. Representatives will be attending the luncheon.
- 4. Ed Sanders is working similarly with Jewish leaders and on Sunday, in New York, will speak on Humphrey-Hawkins to members of the National Jewish Community Relations Advisory Commission. This group represents Jewish leaders from sixty communities throughout the United States. Jewish leaders will be represented at the luncheon on Monday.
- 5. Joe Aragon is working with Hispanic leaders and groups. Several will be at the luncheon on Monday and a number of others will be working actively.

#### HUMPHREY-HAWKINS MEETING

The Roosevelt Room
The White House
12:30 p.m., October 9, 1978

#### AGENDA

Hamilton Jordan Introduction of White House staff and guests Restatement of the President's commit-Hamilton Jordan ment to Humphrey-Hawkins Comments by Senator Muriel Humphrey and Introduced and Congressman Augustus Hawkins called upon by Hamilton Jordan Frank Moore Review of legislative situation Review of White House Humphrey-Hawkins Louis Martin activities Hamilton Jordan Wrap-up and assignments Next steps:

#### - Monday luncheon acceptances:

Holman, Carl The Urban Coalition

Norton, Eleanor Holmes

King, Coretta

Bluestone, Irving United Auto Workers

Hawkins, Gus Member of Congress

Montoya, Al Latin Labor Council

Pena, Ed LULAC

Morales, Dinoicio Mexican American Opportunity Foundation

Sotomayor, Marta La Raza

Carr, John Full Employment Council

Clayman, Jake IUD (AFL-CIO)

Height, Dorothy Council of Negro Women

Keyes, Art

Brody, David ADL

Brown, Ron The Urban League

Mink, Patsy ADA

Humphrey, Muriel Senator

#### White House staff:

Jordan, Hamilton

Martin, Louis

Moore, Frank

Wexler, Anne

Spring, Bill

#### Calls in to:

Hooks, Ben NAACP

Smeal, Ellie NOW

#### Waiting for confirmation:

Squadron, Howard American Jewish Congress

Josephs, Bert ADL

Kampleman, Max ADL

Moses, Al American Jewish Committee STRAIGHT WIRE PHONE & DELIVERY

YOUR HELP AND THE HELP OF YOUR STATE PARTY IS URGENTLY NEEDED TO PREVENT A FILIBUSTER AND ASSURE PASSAGE OF THE HUMPHREY-HAWKINS FULL EMPLOYMENT BILL.

THE BILL IS THE LAST, GREAT LEGISLATIVE LEGACY OF HUBERT HUMPHREY. THE PRESIDENT NEEDS YOUR HELP FOR THIS TOP PRIORITY LEGISLATION.

IT WOULD WRITE INTO THE BOOKS OF LAW THE DEMOCRATIC PARTY'S LONG-STANDING COMMITMENT TO JOBS FOR ALL AMERICANS. IT WOULD REQUIRE THE PRESIDENT TO SET FORTH SPECIFIC ANNUAL GOALS FOR EMPLOYMENT, PRODUCTION AND PRICE STABILITY AND TO DESIGN ECONOMIC POLICY TO REACH THEM. IT WOULD ESTABLISH IN LAW THE GOAL OF REDUCING UNEMPLOYMENT TO FOUR PER CENT WITHIN FIVE YEARS.

PLEASE CONTACT YOUR SENATORS AND SEEK THEIR COMMITMENT FOR CLOTURE AND THEIR SUPPORT OF MAJORITY LEADER BYRD IN HIS EFFORTS TO DEFEAT WEAKENING AMENDMENTS AND TO PASS THE BILL.

PLEASE REPORT THE RESULTS OF YOUR CONTACTS TO ME BY CLOSE OF BUSINESS TUESDAY, OCTOBER 10.

WE OWE THIS VOTE TO THE DEMOCRATIC PARTY AND THE TRADITION THAT HUBERT HUMPHREY FOUGHT SO LONG AND HARD TO ESTABLISH.

/s/ JOHN WHITE CHAIRMAN, DEMOCRATIC NATIONAL COMMITTEE

## THE WHITE HOUSE WASHINGTON

October 10, 1978

#### Stu Eizenstat

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

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## **IDM REST TRC.** 244 Perimeter Center Parkway, N.E./P.O. Box 2210 Atlanta, Ga. 30301 Phone (404) 393-51:54

D.W. Brooks-Chairman of the Board Emeritus

September 27, 1978

Stur deas?

President Jimmy Carter The White House Washington, D. C. 20500

Dear Mr. President:

In the long run, the Civil Service Bill could prove to be the most important bill that you will have passed during your Administration. This is because of a long trend in the United States government whereby the bureaucracy has largely taken over the operation of the government. By doing this, they have prevented the progress which should be made with the coming of each new administration. Since each new administration generally comes from the country, it should bring into government very desirable changes, but this has been largely dissipated by an inbred bureaucracy that has gradually taken control of government.

As you know, I have been involved in the government actively now for 45 years. I have acted as an advisor in one way or another to six presidents officially, and unofficially to at least one more. So during this long period of time I have had a chance to study government rather carefully and notice the trend.

Gradually, bureaucracy has taken control. They not only run the government, but they have very little respect for the Congress or the President. They have developed a feeling that they know better how to run the government than any new administration which might just be passing through, and that they are also, in fact, more knowledgeable than the Congress. Therefore, they have delegated to themselves the authority to actually control and operate the government.

This means, for example, that if the Congress passes a bill that they do not consider wise or desirable from their viewpoint, they immediately rewrite the bill through regulations. At times I have seen them completely change the intent of the bill to the point that what comes out of the bureaucracy is exactly the opposite of what the Congress intended to do. So far, the Congress has been helpless in doing anything about this.

This is necessarily true because no one could touch a person in Civil Service. I have seen people diligently try to fire or move some incompetent or dishonest people in Civil Service, and they were unable to do so over a period of twenty years. There has been no way actually to remove a person from Civil Service. Until you have that authority, you can never stop the bureaucracy from taking over the government.

Although there have been many able and capable people in government, unfortunately government has gradually been stripped of many of these people because different segments of our economy, who had to deal with the government, located these capable people and generally hired them away from government, leaving the incompetent, and very often the freaks, running large operations in government. All parts of government have been subject to this problem, but it has been particularly noticeable in Internal Revenue Service, which should be our strongest and most capable department of government.

My study of this department has indicated that our tax laws have become so complex that few people understand them. Consequently, nearly every business concern and even individuals from time to time have become involved in complex issues of Internal Revenue Service. They invariably go to Washington to try to settle these difficulties. In doing so they have to sit in meetings generally with a large number of people from Internal Revenue Service. If there happens to be a bright young person in the meeting from Internal Revenue Service who seems to understand the tax laws, invariably this concern will make every effort to employ that person as soon as possible and take him out of government. In my opinion, this has depleted this department far more than any other department, so that you now have some very incompetent and even freakish people at high levels.

So, if and when you get the Bill through, and you have a chance to reward the capable people and keep them in government, and eliminate the incompetent and the freaks from high levels in government, you will have made a contribution that hopefully will reverse the trend of concentration of power in this country in the hands of the bureaucracy. In the end, this can save this country.

Sincerely,

D. W. Brooks

## **Joid Rest Inc.** 244 Perimeter Center Parkway, N.E./P.O. Box 2210 Atlanta, Ga. 30301 Phone (404) 393-5154

D.W. Brooks-Chairman of the Board Emeritus

September 27, 1978

#### MEMORANDUM TO THE PRESIDENT

Last year Senator Nunn talked with me at greath length about the problem of bureaucracy rewriting every bill that the Congress passed. Then last year Congressman Levitas from Decatur started introducing resolutions on each bill saying that Congress had the right to change the regulations if they were not in conformity with the law which the Congress passed.

The White House issued a statement to the effect that this was taking over the responsibility and the prerogatives of the executive part of the government. Although I am not a constitutional lawyer and have no real knowledge in this field, I am confident The White House was correct. However, this is a problem that must be solved, because this is the problem that made it possible for you to get the Civil Service Bill passed.

I have talked with Congressmen and Senators for years now, and almost without exception they have become very embittered about what has happened to some of the bills, which have passed through Congress, when they reached the Executive Branch, which generally means the bureaucracy. I wrote a memorandum to Sam Nunn saying that I did not feel the way he and Congressman Levitas were going was practical, because it takes too long to get a bill through Congress. Then to go back and re-do it every time the bureaucracy wrote the regulations, which in effect changed the bill, would create a terrible time impasse in Congress.

In thinking about this problem for several years, the only solution I have been able to come up with that might have some basis of merit, is to set up a commission or a board to review all regulations in relation to the bill itself. When new regulations

are written, they would immediately go to this Board for checking against the Bill. The Board should then confer with the authors of the Bill, and certainly with the Committee through which the Bill passed in the House and the Senate, to satisfy themselves that the regulations said what the Bill intended. Then if the regulations did not comply with the law as determined by the Board, the Board would have the right to change the regulations, which I'm sure you could do by executive order.

Such a Board, under the control of the Administration of the Executive Branch of the Government, would not only stop the great injustice that has been heaped on many people in this country by the bureaucracy in Washington, but it would further take the control of the government out of the hands of the bureaucracy who are now running the government. To that extent it would move us back toward the original intent of our democratic system of government.

It concerned me that when The White House stated that Congressman Levitas and possibly Senator Nunn were moving into the Executive Branch and assuming authority that rightfully belonged to the Executive Branch, the Executive Branch resisted this but did not offer any solutions. Although I am in agreement that the Executive Branch should have this authority and should do this job, it is urgent that some method be developed to do it efficiently and properly.

Although the idea of the board or commission might not be the proper solution, I'm hoping you will give some time and thought to this problem and work out a proper solution. We need this desperately in our country to prevent the trend that we have seen now for forty years whereby the bureaucracy has gradually taken over the ownership and control of our government.

D. W. Brooks

of 112001 PH 5129

THE WHITE HOUSE WASHINGTON

10/10/78

TO:

JERRY RAFSHOON

FROM:

RICK HUTCHESON

The attached memo is returned to you. Fran Voorde does not think this is an appropriate presidential activity.

#### THE WHITE HOUSE

WASHINGTON

October 5, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

JERRY RAFSHOON

On November 14, CBS will carry a TV Special celebrating the 75th anniversary of Hollywood. The show will climax with the unveiling of the new HOLLYWOOD sign which has recently been reconstructed.

As part of the TV Special, they would like to tape a segment of you with Charlton Heston, Kirk Douglas and Jack Valenti talking about the importance of Hollywood and the American film. A replica of the HOLLYWOOD sign would be presented to you.

The taping will be done by the CBS White House crew and should take no more than 15 minutes of your time. They are requesting a time prior to October 31. If you agree to do this, we will have the script prepared.

		<u> </u>	_Will	do	tap:	ing
	•					. •
*			Will	not	do	taping

#### WASHINGTON

DATE:

06 OCT 78

FOR ACTION: PHIL WISE V

FRAN VOODE (attached)

INFO ONLY: JODY POWELL

SUBJECT: RAFSHOON MEMO RE 75TH ANNIVERSARY OF HOLLYWOOD

- + RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
- + BY: 1200 PM MONDAY 09 OCT 78 +

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

#### WASHINGTON

FOR ACTION: PHIL WISE

FRAN VOODE

INFO ONLY: JODY POWELL

SUBJECT:

RAFSHOON MEMO RE 75TH ANNIVERSARY OF HOLLYWOOD

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- BY: 1200 PM MONDAY 09 OCT 78

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

I recommend against this type of thing.
I do not think it is appropriate Presidential activity.

fran

#### THE WHITE HOUSE

WASHINGTON

October 5, 1978

MEMORANDUM FOR THE PRESIDENT

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JERRY RAFSHOON

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 •		•
 Will	not do	taping

ID 785129

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#### WASHINGTON

DATE: 06 OCT 78

FOR ACTION: PHIL WISE

FRAN VOODE

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## THE WHITE HOUSE WASHINGTON

October 5, 1978

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 Will do taping					
	Will	not	do	taping	

Press Conf 10-10-78

Good Cong Session

Tax. fair- simple-progression

Sorphice Apartation

Full Emp & Baf Growth

Right to job-price shabity

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Conf conversion. Utility Rate

Energy taxes & credits

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Ptg\_ Ea part vital

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Produce- Conserve- Coaf
Sun / KEY = NAT GAS

MEASURE 95th Coxis

GOTV-DNC-10-10-78

Ford. Corman-White

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Consent of governed

Part of Society

Turkna surportant

Leaders- responsibility

4 weeks- DNC

Family-Cabinet

"If your don't vote

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Electrostatic Copy Made for Preservation Purposes

Bentsen: Spending level, Categories Match - 70%. One source veto

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done

THE WHITE HOUSE WASHINGTON

Susan- for Presidential call.

Frank -

Ralph Metcalfe died suddenly this

Morning While in Illinois.

His widow, Fay, is here in Washington. Parron Mitchell is with her now. Her phone number is 657-9291.

12++1

## THE WHITE HOUSE WASHINGTON

Mr. President:

Madeline MacBean would like you to say hello to a couple of her friends in the Oval Office on the way to your 1 pm meeting in the Cabinet Room.

\_\_\_\_ approve \_\_\_\_ disapprove Phil

1

#### October 10, 1978

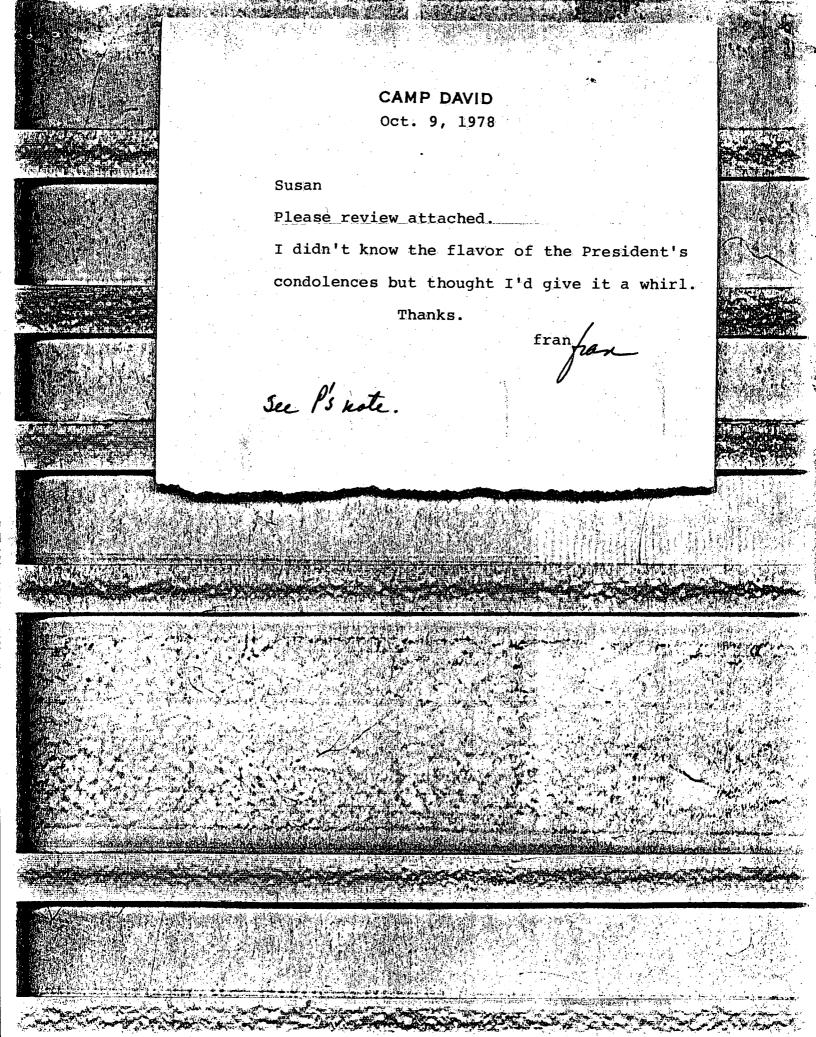
To Miriam Wiley

Rosalynn and I were greatly saddened to learn of Rip's untimely death.

Words, I know, are of little comfort but I did want you to know of our thoughts and prayers. May God's leving care strengthen you and your children during this sad time and in the days ahead.

Sincerely,

Mrs. Miriam Wiley 13 Avondale Plaza Avondale Estates, Georgia



CAMP DAVID

OCTOBER 7, 1978

Note to note to Millams

BILL SETTLE OF ATLANTA CALLED TO LET YOU KNOW

THAT H. W. "RIP" WILEY DIED YESTERDAY OF CARDIAC ARREST.

(HE HAD A HEART ATTACK TWO WEEKS AGO). WILEY WAS 50.

IMMEDIATE SURVIVORS ARE:

WIFE - MIRIAM

4 CHILDREN - NANCY, PEGGY, WESLEY & WENDY

Address: 13 Avondale Plaza

AVONDALE ESTATES, GEORGIA

FRAN Jan